

SECTION 1. Sections 2256.005(k) and (l), Government Code, are amended to read as follows:

(k) A written copy of the investment policy shall be presented to any *business organization* ~~[person]~~ offering to engage in an investment transaction with an investing entity ~~[or to an investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio]~~. For purposes of this subsection and Subsection (l), "*business organization*" means an ~~[a business organization includes]~~ investment pool or ~~[pools and an]~~ investment management firm under contract with an investing entity to invest or manage the entity's investment portfolio *that has accepted authority granted by the entity under the contract to exercise investment discretion in regard to the investing entity's funds*. Nothing in this subsection relieves the investing entity of the responsibility for monitoring the investments made by the investing entity to determine that they are in compliance with the investment policy. The qualified representative of the business organization offering to engage in an investment transaction with an investing entity shall execute a written instrument in a form acceptable to the investing entity and the business organization substantially to the effect that the business organization has:

(1) received and reviewed the investment policy of the entity; and

(2) acknowledged that the business organization has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization:

(A) is dependent on an analysis of the makeup of the entity's entire portfolio;

(B) ~~[or]~~ requires an interpretation of subjective investment standards; or

(C) *relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority.*

(l) The investment officer of an entity may not acquire or otherwise obtain any authorized investment described in the investment policy of the investing entity from a *business organization that* ~~[person who]~~ has not delivered to the entity the instrument required by Subsection (k).

SECTION 2. The changes in law made by this Act apply only to a contract for an investment transaction entered into with a business organization under Chapter 2256, Government Code, on or after the effective date of this Act. A contract entered into before the effective date of this Act is subject to the law in effect at the time the contract was entered into, and the former law is continued in effect for that purpose.

SECTION 3. This Act takes effect September 1, 2017.

Passed by the House on April 20, 2017: Yeas 144, Nays 0, 2 present, not voting; passed by the Senate on May 12, 2017: Yeas 31, Nays 0.

Approved May 26, 2017.

Effective September 1, 2017.

JURISDICTION OF THE TEXAS SUPREME COURT

CHAPTER 150

H.B. No. 1761

AN ACT

relating to jurisdiction of the Texas Supreme Court.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Sections 22.001(a), (b), and (c), Government Code, are amended to read

as follows:

(a) The supreme court has appellate jurisdiction, except in criminal law matters, *of an* ~~[coextensive with the limits of the state and extending to all questions of law arising in the following cases when they have been brought to the courts of appeals from]~~ appealable order or judgment of the trial courts *if the court determines that the appeal presents a question*[:

~~[(1) a case in which the justices of a court of appeals disagree on a question of law material to the decision;~~

~~[(2) a case in which one of the courts of appeals holds differently from a prior decision of another court of appeals or of the supreme court on a question of law material to a decision of the case;~~

~~[(3) a case involving the construction or validity of a statute necessary to a determination of the case;~~

~~[(4) a case involving state revenue;~~

~~[(5) a case in which the railroad commission is a party; and~~

~~[(6) any other case in which it appears that an error] of law [has been committed by the court of appeals, and] that [error] is important [of such importance] to the jurisprudence of the state. *The supreme court's jurisdiction does not include [that, in the opinion of the supreme court, it requires correction, but excluding those] cases in which the jurisdiction of the court of appeals is made final by statute.*~~

(b) A case over which the court has jurisdiction under Subsection (a) may be carried to the supreme court ~~[either] by petition for review [writ of error or by certificate from the court of appeals, but the court of appeals may certify a question of law arising in any of those cases at any time it chooses, either before or after the decision of the case in that court].~~

(c) *Except as provided by this subsection or other law, an appeal may be taken to the supreme court only if the appeal was first brought to the court of appeals. An appeal may be taken directly to the supreme court from an order of a trial court granting or denying an interlocutory or permanent injunction on the ground of the constitutionality of a statute of this state. [It is the duty of the supreme court to prescribe the necessary rules of procedure to be followed in perfecting the appeal.]*

SECTION 2. The heading to Section 22.007, Government Code, is amended to read as follows:

Sec. 22.007. *PETITION FOR REVIEW* ~~[APPLICATION FOR WRIT OF ERROR].~~

SECTION 3. Sections 22.007(a) and (e), Government Code, are amended to read as follows:

(a) The supreme court may act on *petitions for review* ~~[applications for writs of error]~~ when the court deems it expedient. ~~[The supreme court shall pass on an application for writ of error in a case in which the justices of the courts of appeals have disagreed or have declared void a statute of the state.]~~

(e) The granting of a *petition for review* ~~[an application for writ of error]~~ admits the case into the supreme court, and the supreme court shall proceed with the case as provided by law. The *denial* ~~[refusal]~~ or dismissal of a *petition for review* ~~[an application]~~ has the effect of denying the admission of the case into the supreme court, except that a motion for rehearing may be made ~~[to the designated justices]~~ in the same manner that a motion for rehearing to the supreme court is made *in a case in which the court granted review*. The *denial or dismissal of a petition for review may* ~~[refusal or dismissal of an application shall]~~ not be regarded as a precedent or authority.

SECTION 4. The following provisions of the Government Code are repealed:

(1) Section 22.001(e);

(2) Sections 22.007(b), (c), (d), (f), and (g); and

(3) Sections 22.225(b), (c), (d), and (e).

SECTION 5. The repeal of Section 22.225(d), Government Code, applies only to an interlocutory order signed on or after the effective date of this Act. An interlocutory order signed before the effective date of this Act is governed by the law applicable to the order immediately before the effective date of this Act, and that law is continued in effect for that purpose.

SECTION 6. This Act takes effect September 1, 2017.

Passed by the House on April 20, 2017: Yeas 142, Nays 0, 1 present, not voting; the House concurred in Senate amendments to H.B. No. 1761 on May 19, 2017: Yeas 141, Nays 0, 1 present, not voting; passed by the Senate, with amendments, on May 15, 2017: Yeas 31, Nays 0.

Approved May 26, 2017.

Effective September 1, 2017.

ACTIONS ON AND LIABILITY ASSOCIATED WITH CERTAIN INSURANCE CLAIMS

CHAPTER 151

H.B. No. 1774

AN ACT

relating to actions on and liability associated with certain insurance claims.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Section 541.156(a), Insurance Code, is amended to read as follows:

(a) A person who receives notice provided under Section 541.154 or 542A.003 may make a settlement offer during a period beginning on the date notice under Section 541.154 or 542A.003 is received and ending on the 60th day after that date.

SECTION 2. Section 542.060, Insurance Code, is amended by amending Subsection (a) and adding Subsection (c) to read as follows:

(a) *Except as provided by Subsection (c), if [H] an insurer that is liable for a claim under an insurance policy is not in compliance with this subchapter, the insurer is liable to pay the holder of the policy or the beneficiary making the claim under the policy, in addition to the amount of the claim, interest on the amount of the claim at the rate of 18 percent a year as damages, together with reasonable and necessary attorney's fees. Nothing in this subsection prevents the award of prejudgment interest on the amount of the claim, as provided by law.*

(c) *In an action to which Chapter 542A applies, if an insurer that is liable for a claim under an insurance policy is not in compliance with this subchapter, the insurer is liable to pay the holder of the policy, in addition to the amount of the claim, simple interest on the amount of the claim as damages each year at the rate determined on the date of judgment by adding five percent to the interest rate determined under Section 304.003, Finance Code, together with reasonable and necessary attorney's fees. Nothing in this subsection prevents the award of prejudgment interest on the amount of the claim, as provided by law. Interest awarded under this subsection as damages accrues beginning on the date the claim was required to be paid.*

SECTION 3. Subtitle C, Title 5, Insurance Code, is amended by adding Chapter 542A to read as follows:

CHAPTER 542A. CERTAIN CONSUMER ACTIONS RELATED TO CLAIMS FOR PROPERTY DAMAGE

Sec. 542A.001. **DEFINITIONS.** *In this chapter:*

(1) "Agent" means an employee, agent, representative, or adjuster who performs any act on behalf of an insurer.